

# HOUSE BILL No. 1716

## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 4-4-6.1; IC 6-1.1-8-44; IC 6-2.5; IC 6-3-2; IC 6-3.1; IC 22-4-18.1-5.

**Synopsis:** Enterprise zones. Provides that the 30% valuation floor does not apply to the assessment of depreciable personal property located in an enterprise zone. Provides retail merchants located in an enterprise zone with an additional allowance equal to 1% of the retail merchant's sales tax liability. Provides that the enterprise zone investment cost credit is assignable. Allows the enterprise zone board to designate contiguous property in two municipalities as an enterprise zone. Establishes criteria for designation as a multijurisdictional enterprise zone. Provides that the number of enterprise zones designated by the board may not exceed 29. Provides a credit against state sales and use tax liability for certain purchases made: (1) by or on behalf of a taxpayer that owns real property in an enterprise zone; (2) from a person whose place of business is within an enterprise zone or a city in which an enterprise zone is located; and (3) for the purpose of the redevelopment or rehabilitation of a business or residence in an enterprise zone. Extends the enterprise zone employee wage deduction to an employee employed by a pass through entity. Provides that an individual is entitled to an adjusted gross income tax deduction equal to the amount of qualified increased enterprise zone adjusted gross income received by the individual during the taxable year (including the individual's distributive share of a pass through entity's qualified increased enterprise zone adjusted gross income). Provides a credit against state tax liability for expenses incurred to train employees who reside in an enterprise zone. Provides a credit against state tax liability for jobs created at locations within an enterprise zone. Requires the state human resource investment council to include the president of the Association of Indiana Enterprise Zones or the president's designee.

**Effective:** January 1, 2002 (retroactive); July 1, 2003; January 1, 2004.

**Klinker, Scholer**

January 21, 2003, read first time and referred to Committee on Ways and Means.



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First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

## HOUSE BILL No. 1716

A BILL FOR AN ACT to amend the Indiana Code concerning economic development.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 4-4-6.1-2, AS AMENDED BY P.L.90-2002,  
2       SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3       JULY 1, 2003]: Sec. 2. (a) The board has the following powers, in  
4       addition to other powers that are contained in this chapter:

5               (1) To review and approve or reject all applicants for enterprise  
6               zone designation, according to the criteria for designation which  
7               this chapter provides.

8               (2) To waive or modify rules as provided in this chapter.

9               (3) To provide a procedure by which enterprise zones may be  
10              monitored and evaluated on an annual basis.

11              (4) To adopt rules for the disqualification of a zone business from  
12              eligibility for any or all incentives available to zone businesses,  
13              if that zone business does not do one (1) of the following:

14                      (A) If all of its incentives, as contained in the summary  
15                      required under section 2.5 of this chapter, exceed one  
16                      thousand dollars (\$1,000) in any year, pay a registration fee to  
17                      the board in an amount equal to one percent (1%) of all of its



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- 1 incentives.
- 2 (B) Use all of its incentives, except for the amount of
- 3 registration fee, for its property or employees in the zone.
- 4 (C) Remain open and operating as a zone business for twelve
- 5 (12) months of the assessment year for which the incentive is
- 6 claimed.
- 7 (5) To disqualify a zone business from eligibility for any or all
- 8 incentives available to zone businesses in accordance with the
- 9 procedures set forth in the board's rules.
- 10 (6) After a recommendation from an urban enterprise association
- 11 **or upon receipt of an application for boundary modification**
- 12 **under section 3(j) of this chapter**, to modify an enterprise zone
- 13 boundary if the board determines that the modification:
- 14 (A) is in the best interests of the zone; and
- 15 (B) meets the threshold criteria and factors set forth in section
- 16 3 of this chapter.
- 17 (7) To employ staff and contract for services.
- 18 (8) To receive funds from any source and expend these funds for
- 19 the administration and promotion of the enterprise zone program.
- 20 (9) To make determinations under IC 6-3.1-11 concerning the
- 21 designation of locations as industrial recovery sites and the
- 22 availability of the credit provided by IC 6-1.1-20.7 to persons
- 23 owning inventory located on an industrial recovery site.
- 24 (10) To make determinations under IC 6-1.1-20.7 and IC 6-3.1-11
- 25 concerning the disqualification of persons from claiming credits
- 26 provided by those chapters in appropriate cases.
- 27 (11) To make determinations under IC 6-3.1-11.5 concerning the
- 28 designation of locations as military base recovery sites and the
- 29 availability of the credit provided by IC 6-3.1-11.5 to persons
- 30 making qualified investments in military base recovery sites.
- 31 (12) To make determinations under IC 6-3.1-11.5 concerning the
- 32 disqualification of persons from claiming the credit provided by
- 33 IC 6-3.1-11.5 in appropriate cases.
- 34 (b) In addition to a registration fee paid under subsection (a)(4),
- 35 each zone business that receives a credit under this chapter shall assist
- 36 the zone urban enterprise association created under section 4 of this
- 37 chapter in an amount determined by the legislative body of the
- 38 municipality in which the zone is located. If a zone business does not
- 39 assist an urban enterprise association, the legislative body of the
- 40 municipality in which the zone is located may pass an ordinance
- 41 disqualifying a zone business from eligibility for all credits or
- 42 incentives available to zone businesses. If a legislative body

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disqualifies a zone business under this subsection, the legislative body shall notify the board, the department of local government finance, and the department of state revenue in writing within thirty (30) days of the passage of the ordinance disqualifying the zone business. Disqualification of a zone business under this section is effective beginning with the taxable year in which the ordinance disqualifying the zone business is passed.

SECTION 2. IC 4-4-6.1-3, AS AMENDED BY P.L.289-2001, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 3. (a) The board may designate up to ten (10) enterprise zones, in addition to any enterprise zones which the federal government may designate in the state After January 1, 1988, the board may by seven (7) affirmative votes increase the number of enterprise zones above ten (10), but it may add no more than two (2) new zones each year (excluding any zone that may be added by the board in a municipality in which a previously designated zone has expired **or whose boundary is modified under subsection (j)**) and may not add any new zones after December 31, 2015. **However, the number of enterprise zones designated by the board may not exceed twenty-nine (29).** There may be no more than one (1) enterprise zone in any municipality.

(b) After approval by resolution of the legislative body, the executive of any municipality that is not an included town under IC 36-3-1-7 may submit:

- (1) one (1) application to the enterprise zone board to have one (1) portion of the municipality designated as an enterprise zone;
- (2) a joint application under subsection (c) for designation of an enterprise zone; or**
- (3) a joint application for a boundary modification under subsection (j).**

If an application is denied, the executive may submit a new application. The board by rule shall provide application procedures.

**(c) This subsection applies to a municipality that does not contain an enterprise zone. The executives of two (2) municipalities may submit a joint application to the enterprise zone board to have a contiguous area located in each municipality designated as an enterprise zone.**

**(d)** The board shall evaluate an enterprise zone application, if it finds that the following threshold criteria exist in a proposed zone:

- (1) A poverty level in which twenty-five percent (25%) of the households in the zone are below the poverty level as established by the most recent United States census or an average rate of

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unemployment for the most recent eighteen (18) month period for which data is available that is at least one and one-half (1 1/2) times the average statewide rate of unemployment for the same eighteen (18) month period.

**(2) For a proposed zone located within one (1) municipality, a population of more than two thousand (2,000) but less than ten thousand five hundred (10,500).**

**(3) For a proposed zone located within two (2) municipalities, a population of more than four thousand (4,000) but less than twenty-one thousand (21,000).**

**(4) For a proposed zone located within one (1) municipality, an area of more than three-fourths (3/4) square mile but less than four (4) square miles, with a continuous boundary (using natural, street, or highway barriers when possible) entirely within the applicant municipality. However, if the zone includes a parcel of property that:**

**(A) is owned by the municipality; and**

**(B) has an area of twenty-five (25) acres or more;**

**the area of the zone may be increased above the four (4) square mile limitation by an amount not to exceed the area of the municipally owned parcel.**

**~~(4)~~ (5) For a proposed zone located within two (2) municipalities, an area of more than three-fourths (3/4) square mile but less than eight (8) square miles with a contiguous boundary (using natural, street, or highway barriers when possible) between the applicant municipalities. However, if the zone includes a parcel of property that:**

**(A) is owned by the municipality; and**

**(B) has an area of at least twenty-five (25) acres;**

**the area of the zone may be increased above the eight (8) square mile limitation by an amount not to exceed the area of the municipally owned parcel.**

**(6) For a proposed zone located within one (1) municipality, any property suitable for the development of a mix of commercial, industrial, and residential activities.**

**~~(5)~~ (7) For a proposed zone located within two (2) municipalities, property in both municipalities suitable for the development of a mix of commercial, industrial, and residential activities.**

**(8) The appointment of an urban enterprise association that meets the requirements of section 4 of this chapter.**

**~~(6)~~ (9) A statement by the applicant indicating its willingness to**

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provide certain specified economic development incentives.

~~(d)~~ (e) If an applicant has met the threshold criteria of subsection ~~(c)~~, (d), the board shall evaluate the application, arrive at a decision based on the following factors, and either designate a zone or reject the application:

(1) Level of poverty, unemployment, and general distress of the area in comparison to other applicant and nonapplicant municipalities and the expression of need for an enterprise zone over and above the threshold criteria contained in subsection (c).

(2) Evidence of support for designation by residents, businesses, and private organizations in the proposed zone, and the demonstration of a willingness among those zone constituents to participate in zone area revitalization.

(3) Efforts by the applicant municipality to reduce the impediments to development in the zone area where necessary, including but not limited to the following:

(A) A procedure for streamlining local government regulations and permit procedures.

(B) Crime prevention activities involving zone residents.

(C) A plan for infrastructure improvements capable of supporting increased development activity.

(4) Significant efforts to encourage the reuse of existing zone structures in new development activities to preserve the existing character of the neighborhood, where appropriate.

(5) The proposed managerial structure of the zone and the capacity of the urban enterprise association to carry out the goals and purposes of this chapter.

~~(e)~~ (f) An enterprise zone **designated under subsection (e)** expires ten (10) years from the day on which it is designated by the board. The two (2) year period immediately before the day on which it expires is the phase-out period. During the phase-out period, the board may review the success of the enterprise zone based upon the following criteria and may, with the consent of the budget committee, renew the zone, including all provisions of this chapter, for a period of five (5) years:

(1) Increases in capital investment in the zone.

(2) Retention of jobs and creation of jobs in the zone.

(3) Increases in employment opportunities for residents of the zone.

~~(f)~~ (g) If an enterprise zone is renewed under subsection ~~(e)~~, (f), the two (2) year period immediately before the date on which the zone expires is another phase-out period. During the phase-out period, the

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board may review the success of the enterprise zone based upon the criteria set forth in subsection ~~(e)~~ (f) and, with the consent of the budget committee, may again renew the zone, including all provisions of this chapter, for a final period of five (5) years. The zone may not be renewed after the expiration of this final five (5) year period.

~~(g)~~ (h) Notwithstanding any other provision of this chapter, one (1) or more units (as defined in IC 36-1-2-23) may declare all or any part of a military base or other military installation that is inactive, closed, or scheduled for closure as an enterprise zone. Such a declaration shall be made by a resolution of the legislative body of the unit that contains the geographic area being declared an enterprise zone. The legislative body must include in the resolution that an urban enterprise association is created or designate another entity to function as the urban enterprise association under this chapter. The resolution must also be approved by the executive of the unit. If the resolution is approved, the executive shall file the resolution and the executive's approval with the board. If an entity other than an urban enterprise association is designated to function as an urban enterprise association, the entity's acceptance must be filed with the board along with the resolution. The enterprise zone designation is effective on the first day of the month following the date the resolution is filed with the board. Establishment of an enterprise zone under this subsection is not subject to the limit of two (2) new enterprise zones each year under subsection (a).

~~(h)~~ (i) The enterprise zone board may not approve the enlargement of an enterprise zone's geographic boundaries unless the area to be enlarged:

- (1) meets the criteria of economic distress set forth in subsection ~~(e)~~ (f); (d)(1); or
- (2) is part of a boundary modification under subsection (j).

(j) The enterprise zone board may modify an enterprise zone's geographic boundaries if the executive of the municipality in which the enterprise zone is located and the executive of another municipality submit a joint application to the enterprise zone board to modify the enterprise zone's geographic boundaries to include area that is:

- (1) located in the other municipality; and
- (2) contiguous to the enterprise zone.

The enterprise zone board shall evaluate the application using the threshold criteria set forth in subsection (d) and the factors set forth in subsection (e). The modification of an enterprise zone's geographic boundaries under this subsection is not considered an addition of a new enterprise zone for purposes of subsection (a). An



enterprise zone modified under this subsection expires on the date on which the enterprise zone whose boundary was modified under this section would have expired.

SECTION 3. IC 4-4-6.1-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 4. (a) There is created in each applicant for designation as an enterprise zone and in each enterprise zone an urban enterprise association, referred to as the U.E.A. in this chapter. ~~Its~~

**(b) In the case of an enterprise zone located in a single jurisdiction, the twelve (12) members of the U.E.A. are to be chosen as follows:**

(1) The governor shall appoint the following:

(A) One (1) state legislator whose district includes all or part of the enterprise zone.

(B) One (1) representative of the state department of commerce, who is not a voting member of the U.E.A.

(2) The executive of the municipality in which the zone is located shall appoint the following:

(A) One (1) representative of the plan commission having jurisdiction over the zone, if any exists.

(B) One (1) representative of the municipality's department that performs planning or economic development functions.

(C) Two (2) representatives of businesses located in the zone, one (1) of which shall be from a manufacturing concern, if any exists in the zone.

(D) One (1) resident of the zone.

(E) One (1) representative of organized labor from the building trades that represent construction workers.

(3) The legislative body of the municipality in which the zone is located shall appoint, by majority vote, the following:

(A) One (1) member of the municipality's legislative body whose district includes all or part of the zone.

(B) One (1) representative of a business located in the zone.

(C) Two (2) residents of the zone, who must not be members of the same political party.

**(c) In the case of a multijurisdictional enterprise zone, the twenty-two (22) members of the urban enterprise zone association are to be chosen as follows:**

(1) The governor shall appoint the following:

(A) One (1) state legislator whose district includes all or part of the enterprise zone.

(B) One (1) representative of the state department of

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commerce, who is not a voting member of the U.E.A.

(2) The executive of each municipality in which the zone is located shall appoint the following:

(A) One (1) representative of the plan commission having jurisdiction over the zone, if any exists.

(B) One (1) representative of the municipality's department that performs planning or economic development functions.

(C) Two (2) representatives of businesses located in the zone, one (1) of whom shall be from a manufacturing concern, if any exists in the zone.

(D) One (1) resident of the zone.

(E) One (1) representative of organized labor from the building trades that represent construction workers.

(3) The legislative body of each municipality in which the zone is located shall appoint, by majority vote, the following:

(A) One (1) member of the municipality's legislative body whose district includes all or part of the zone.

(B) One (1) representative of a business located in the zone.

(C) Two (2) residents of the zone, who must not be members of the same political party.

~~(b)~~ (d) Members of the urban enterprise association serve four (4) year terms. The appointing authority shall fill any vacancy for the balance of the vacated term.

~~(c)~~ (e) Members may be dismissed only by the appointing authority and only for just cause.

~~(d)~~ (f) The members shall elect a chairman, a vice chairman, and a secretary by majority vote. This election shall be held every two (2) years in the same month as the first meeting or whenever a vacancy occurs. The U.E.A. shall meet at least once every three (3) months. The secretary shall notify members of meetings at least two (2) weeks in advance of meetings. The secretary shall provide a list of members to each member and shall notify members of any changes in membership.

~~(e)~~ (g) If an applicant for designation as an enterprise zone does not receive that designation, the U.E.A. in that municipality is dissolved when the application is rejected.

SECTION 4. IC 6-1.1-8-44, AS ADDED BY P.L.192-2002(ss), SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 44. (a) Except to the extent that it conflicts with a statute, 50 IAC 5.1 (as in effect January 1, 2001) is incorporated by reference into this section.

(b) Tangible personal property within the scope of 50 IAC 5.1 (as



in effect January 1, 2001) shall be assessed on the assessment dates in calendar years 2003 and thereafter in conformity with 50 IAC 5.1 (as in effect January 1, 2001).

(c) The publisher of the Indiana Administrative Code may continue to publish 50 IAC 5.1 (as in effect January 1, 2001) in the Indiana Administrative Code.

(d) 50 IAC 5.2 and any other rule to the extent that it conflicts with this section is void.

(e) A reference in 50 IAC 5.1 to a governmental entity that has been terminated or a statute that has been repealed or amended shall be treated as a reference to its successor.

**(f) Notwithstanding any other law, the valuation floor applying to the assessment of depreciable personal property under 50 IAC 5.1 does not apply to the assessment of depreciable personal property located in an enterprise zone after December 31, 2005.**

SECTION 5. IC 6-2.5-5.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]:

**Chapter 5.5. Credit for Certain Qualified Purchases**

**Sec. 1. As used in this chapter, "building materials" means any items that are or may be permanently affixed to real property.**

**Sec. 2. As used in this chapter, "enterprise zone" means a zone established under IC 4-4-6.1.**

**Sec. 3. As used in this chapter, "pass through entity" means a:**

- (1) corporation that is exempt from the adjusted gross income tax under IC 6-3-2-2.8(2);**
- (2) partnership;**
- (3) limited liability company; or**
- (4) limited liability partnership.**

**Sec. 4. As used in this chapter, "qualified purchase" means a purchase of building materials that is made:**

- (1) by or on behalf of a taxpayer that owns real property in an enterprise zone;**
- (2) from a person whose place of business is within:**
  - (A) an enterprise zone; or**
  - (B) a city in which an enterprise zone is located; and**
- (3) for the purpose of the redevelopment or rehabilitation of a business or residence in an enterprise zone.**

**Sec. 5. As used in this chapter, "state sales and use tax liability" means a taxpayer's total tax liability incurred under this article before the application of any credit to which the taxpayer is entitled under this chapter.**

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1        **Sec. 6.** As used in this chapter, "taxpayer" means a person,  
 2 corporation, or pass through entity that makes a qualified  
 3 purchase.

4        **Sec. 7. (a)** A taxpayer that makes a qualified purchase during a  
 5 calendar year is entitled to a credit against the taxpayer's state  
 6 sales and use tax liability for that calendar year.

7        **(b)** The amount of the credit to which a taxpayer is entitled  
 8 equals the sum of the following:

9            **(1)** One hundred percent (100%) of the state sales and use tax  
 10 paid by the taxpayer during the calendar year for a qualified  
 11 purchase from a person whose place of business is within an  
 12 enterprise zone.

13            **(2)** Fifty percent (50%) of the state sales and use tax paid by  
 14 the taxpayer during the calendar year for a qualified  
 15 purchase from a person whose place of business is not within  
 16 an enterprise zone but is within a city in which an enterprise  
 17 zone is located.

18        **(c)** The credit under this chapter must be claimed on a quarterly  
 19 basis in the form of a claim for a refund prescribed by the  
 20 department.

21        **Sec. 8.** The department may adopt rules under IC 4-22-2 to  
 22 carry out this chapter.

23        SECTION 6. IC 6-2.5-6-10, AS AMENDED BY P.L.192-2002(ss),  
 24 SECTION 62, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 25 JANUARY 1, 2004]: Sec. 10. (a) In order to compensate retail  
 26 merchants for collecting and timely remitting the state gross retail tax  
 27 and the state use tax, every retail merchant, except a retail merchant  
 28 referred to in subsection (c), is entitled to deduct and retain from the  
 29 amount of those taxes otherwise required to be remitted under  
 30 IC 6-2.5-7-5 or under this chapter, if timely remitted, a retail merchant's  
 31 collection allowance.

32            **(b)** The allowance equals eighty-three hundredths percent (0.83%)  
 33 of the retail merchant's state gross retail and use tax liability accrued  
 34 during a reporting period.

35            **(c)** A retail merchant described in IC 6-2.5-4-5 or IC 6-2.5-4-6 is not  
 36 entitled to the allowance provided by this section.

37            **(d)** This subsection applies only to a retail merchant located in  
 38 an enterprise zone. In addition to the allowance provided under  
 39 subsection (b), a retail merchant located in an enterprise zone is  
 40 entitled to an allowance equal to one percent (1%) of the retail  
 41 merchant's state gross retail and use tax liability accrued during a  
 42 reporting period.

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SECTION 7. IC 6-3-2-8, AS AMENDED BY P.L.289-2001, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 8. (a) For purposes of this section, "qualified employee" means an individual who is employed by a taxpayer, **a pass through entity**, an employer exempt from adjusted gross income tax (IC 6-3-1 through IC 6-3-7) under IC 6-3-2-2.8(3), IC 6-3-2-2.8(4), or IC 6-3-2-2.8(5), a nonprofit entity, the state, a political subdivision of the state, or the United States government and who:

(1) has the employee's principal place of residence in the enterprise zone in which the employee is employed;

(2) performs services for the taxpayer, the employer, the nonprofit entity, the state, the political subdivision, or the United States government, ninety percent (90%) of which are directly related to:

(A) the conduct of the taxpayer's or employer's trade or business; or

(B) the activities of the nonprofit entity, the state, the political subdivision, or the United States government;

that is located in an enterprise zone; and

(3) performs at least fifty percent (50%) of the employee's service for the taxpayer or employer during the taxable year in the enterprise zone.

(b) For purposes of this section, "pass through entity" means a:

(1) corporation that is exempt from the adjusted gross income tax under IC 6-3-2-2.8(2);

(2) partnership;

(3) trust;

(4) limited liability company; or

(5) limited liability partnership.

(c) Except as provided in subsection ~~(c)~~; (d), a qualified employee is entitled to a deduction from his adjusted gross income in each taxable year in the amount of the lesser of:

(1) one-half (1/2) of his adjusted gross income for the taxable year that he earns as a qualified employee; or

(2) seven thousand five hundred dollars (\$7,500).

~~(c)~~ (d) No qualified employee is entitled to a deduction under this section for a taxable year that begins after the termination of the enterprise zone in which he resides.

SECTION 8. IC 6-3-2-8.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 8.5. (a) For purposes of this section, the following terms have the following meanings:

(1) "Adjusted gross income derived from sources within an



enterprise zone" means:

- (A) adjusted gross income from real property or tangible personal property located in an enterprise zone;
- (B) adjusted gross income from doing business in an enterprise zone;
- (C) adjusted gross income from a trade or profession conducted in an enterprise zone;
- (D) compensation for labor or services rendered within an enterprise zone; and
- (E) adjusted gross income from stocks, bonds, notes, bank deposits, patents, copyrights, secret processes and formulas, good will, trademarks, trade brands, franchises, and other intangible personal property having a situs in an enterprise zone.

(2) "Base period adjusted gross income" means the adjusted gross income of a person that would have been adjusted gross income derived from sources within an enterprise zone if an enterprise zone had been in existence during the year that ends on the last day of the month that immediately precedes the month in which the enterprise zone is established. If the person did not engage in an active trade or business during that year in an area that is later designated as an enterprise zone, the person's base period adjusted gross income equals zero (0). If the person engaged in an active trade or business during only part of that year in an area that is later designated as an enterprise zone, the department shall determine the amount of base period adjusted gross income.

(3) "Enterprise zone" means an enterprise zone created under IC 4-4-6.1.

(4) "Monthly base period adjusted gross income" means base period adjusted gross income divided by twelve (12).

(5) "Pass through entity" means a:

- (A) corporation that is exempt from the adjusted gross income tax under IC 6-3-2-2.8(2);
- (B) partnership;
- (C) trust;
- (D) limited liability company; or
- (E) limited liability partnership.

(6) "Qualified increased enterprise zone adjusted gross income" means the following:

- (A) For a person's taxable year other than the person's taxable year in which the enterprise zone is established, the

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amount by which adjusted gross income derived by the person from sources within the enterprise zone during the taxable year exceeds the person's base period adjusted gross income.

(B) For the person's taxable year in which the enterprise zone is established, the amount by which adjusted gross income derived by the person from sources within the enterprise zone during all of the full calendar months in the person's taxable year that succeed the date on which the enterprise zone was established exceeds the person's monthly base period adjusted gross income multiplied by that same number of full calendar months.

(b) Each taxable year, an individual is entitled to an adjusted gross income tax deduction equal to the amount of qualified increased enterprise zone adjusted gross income received by the individual during the taxable year.

(c) In the case of a pass through entity that receives qualified increased enterprise zone adjusted gross income, an individual who is a shareholder, partner, beneficiary, or member of the pass through entity is entitled to claim the deduction under this section. The amount the individual may claim as a deduction is equal to:

(1) the amount of the qualified increased enterprise zone adjusted gross income received by the pass through entity during the taxable year; multiplied by

(2) the percentage of the pass through entity's distributive income to which the shareholder, partner, beneficiary, or member is entitled.

(d) In the case of nonbusiness income described in subsection (j), only the amount of the income as is allocated to an enterprise zone under subsections (k) through (n) is considered to be derived from sources within an enterprise zone. In the case of business income, only the amount of the income as is apportioned to an enterprise zone under subsection (e) is considered to be derived from sources within an enterprise zone.

(e) If the business income derived from sources within an enterprise zone cannot be separated from the business income derived from sources outside the enterprise zone, the business income derived from sources within the enterprise zone is determined by multiplying the business income derived from sources both within and outside the enterprise zone by a fraction. The numerator of the fraction is the property factor, described in subsection (f), plus the payroll factor, described in subsection (g),

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plus the sales factor, described in subsection (h). The denominator of the fraction is three (3).

(f) The property factor is a fraction. The numerator of the fraction is the average value of the taxpayer's real and tangible personal property owned or rented and used in an enterprise zone during the taxable year. The denominator of the fraction is the average value of all the taxpayer's real and tangible personal property owned or rented and used during the taxable year. Property owned by the taxpayer is valued at its original cost. Property rented by the taxpayer is valued at eight (8) times the net annual rental rate. Net annual rental rate is the annual rental rate paid by the taxpayer less any annual rental rate received by the taxpayer from subrentals. The average of property shall be determined by averaging the values at the beginning and end of the taxable year, but the department may require the averaging of monthly values during the taxable year if reasonably required to reflect properly the average value of the taxpayer's property.

(g) The payroll factor is a fraction, the numerator of which is the total amount paid in an enterprise zone during the taxable year by the taxpayer for compensation, and the denominator of which is the total compensation paid everywhere during the taxable year by the taxpayer. Compensation is paid in an enterprise zone if:

(1) the individual's service is performed entirely within the enterprise zone;

(2) the individual's service is performed both within and outside the enterprise zone, but the service performed outside the enterprise zone is incidental to the individual's service within the enterprise zone; or

(3) some of the service is performed in the enterprise zone and:

(A) the base of operations or, if there is no base of operations, the place from which the service is directed or controlled is in the enterprise zone; or

(B) there is no base of operations or place from which the service is directed or controlled, but the individual is a resident of the enterprise zone.

(h) The sales factor is a fraction. The numerator of the fraction is the total sales of the taxpayer in an enterprise zone during the taxable year. The denominator of the fraction is the total sales of the taxpayer everywhere during the taxable year. Sales of tangible personal property are in an enterprise zone if:

(1) the property is delivered or shipped to a purchaser, other

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than the United States government, within the enterprise zone, regardless of the f.o.b. point or other conditions of the sale; or

(2) the property is shipped from an office, a store, a warehouse, a factory, or other place of storage in the enterprise zone and either the purchaser is the United States government or the taxpayer is not taxable in the state of the purchaser.

(i) Sales, other than sales of tangible personal property, are in an enterprise zone if:

(1) the income producing activity is performed in the enterprise zone; or

(2) the income producing activity is performed both within and outside the enterprise zone and a greater proportion of the income producing activity is performed within the enterprise zone than without the enterprise zone, based on costs of performance.

(j) Rents and royalties from real or tangible personal property, capital gains, interest, dividends, or patent or copyright royalties, to the extent that they constitute nonbusiness income, shall be allocated as provided in subsections (k) through (n).

(k) Net rents and royalties from:

(1) real property located in an enterprise zone are allocable to the enterprise zone; and

(2) tangible personal property are allocated to an enterprise zone to the extent that the property is used in the enterprise zone.

The extent of use of tangible personal property in an enterprise zone is determined by multiplying the rents and royalties by a fraction. The numerator of the fraction is the number of days of physical location of the property in the enterprise zone during the rental or royalty period in the taxable year. The denominator of the fraction is the number of days of physical location of the property everywhere during all rental or royalty periods in the taxable year. If the physical location of the property during the rental or royalty period is unknown or unascertainable by the taxpayer, tangible personal property is used where the royalty payer obtained possession of the property.

(l) Capital gains and losses from sales of:

(1) real property located in an enterprise zone are allocable to the enterprise zone;

(2) tangible personal property are allocable to an enterprise

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1 zone if the property had a situs in the enterprise zone at the  
2 time of the sale; and

3 (3) intangible personal property are allocable to an enterprise  
4 zone if the taxpayer's commercial domicile is in the enterprise  
5 zone.

6 (m) Interest and dividends are allocable to an enterprise zone if  
7 the taxpayer's commercial domicile is in the enterprise zone.

8 (n) Patent and copyright royalties are allocable to an enterprise  
9 zone to the extent that the patent or copyright is used by the  
10 taxpayer in the enterprise zone. A patent is used in an enterprise  
11 zone to the extent that it is employed in production, fabrication,  
12 manufacturing, or other processing in the enterprise zone or to the  
13 extent that a patented product is produced in the enterprise zone.  
14 If the basis of receipts from patent royalties does not permit  
15 allocation to enterprise zones or if the accounting procedures do  
16 not reflect location of use, the patent is used at the location of the  
17 taxpayer's commercial domicile. A copyright is used in an  
18 enterprise zone to the extent that printing or other publication  
19 originates in the enterprise zone. If the basis of receipts from  
20 copyright royalties does not permit allocation to enterprise zones  
21 or if the accounting procedures do not reflect location of use, the  
22 copyright is used at the location of the taxpayer's commercial  
23 domicile.

24 (o) If the allocation and apportionment provisions of this section  
25 do not fairly represent the taxpayer's adjusted gross income  
26 derived from sources within an enterprise zone, the taxpayer may  
27 petition for or the department may require, in respect to all or any  
28 part of the taxpayer's business activity:

29 (1) a separate accounting;

30 (2) the exclusion of any one (1) or more of the factors listed in  
31 this section;

32 (3) the inclusion of one (1) or more additional factors that will  
33 fairly represent the taxpayer's income derived from sources  
34 within the enterprise zone; or

35 (4) the employment of any other method to effect an equitable  
36 allocation and apportionment of the taxpayer's income.

37 (p) In the case of two (2) or more organizations, trades, or  
38 businesses owned or controlled directly or indirectly by the same  
39 interests, the department shall distribute, apportion, or allocate the  
40 income derived from sources within an enterprise zone among  
41 those organizations, trades, or businesses in order to reflect fairly  
42 and report the income derived from sources within the enterprise

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zone by various taxpayers.

(q) A taxpayer that:

(1) does not own, rent, or lease real property outside an enterprise zone that is an integral part of its trade or business; and

(2) is not owned or controlled directly or indirectly by a taxpayer that owns, rents, or leases real property outside an enterprise zone;

is exempt from the allocation and apportionment provisions of this section.

SECTION 9. IC 6-3.1-10-4, AS AMENDED BY P.L.170-2002, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002 (RETROACTIVE)]: Sec. 4. (a) As used in this chapter, "taxpayer" means any individual that has any state tax liability.

(b) Notwithstanding subsection (a), for a credit for a qualified investment in a business located in an enterprise zone in a county having a population of more than one hundred five thousand (105,000) but less than one hundred ten thousand (110,000), "taxpayer" includes a pass through entity.

(c) Notwithstanding subsection (a), for purposes of receiving a credit assigned under section 10 of this chapter, "taxpayer" means any person that has any state tax liability.

SECTION 10. IC 6-3.1-10-10 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002 (RETROACTIVE)]: Sec. 10. (a) A taxpayer may assign any part of the credit to which the taxpayer is entitled under this chapter to another taxpayer. A credit that is assigned under this subsection remains subject to this chapter.

(b) An assignment under subsection (a) must be in writing, and both the taxpayer and the assignee must report the assignment on their state tax returns for the year in which the assignment is made, in the manner prescribed by the department. The taxpayer may not receive value in connection with the assignment under subsection (a) that exceeds the value of the part of the credit assigned.

(c) Notwithstanding any other law, a tax credit assigned under subsection (a) is not subject to the reinvestment and use requirements set forth in 58 IAC 2-1-2.

SECTION 11. IC 6-3.1-25 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]:

**Chapter 25. Enterprise Zone Employment Training Credit**



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1       Sec. 1. As used in this chapter, "employer" has the meaning set  
2       forth in IC 6-3-1-5.

3       Sec. 2. As used in this chapter, "enterprise zone" means an  
4       enterprise zone created under IC 4-4-6.1.

5       Sec. 3. As used in this chapter, "pass through entity" means:

- 6       (1) a corporation that is exempt from the adjusted gross
- 7       income tax under IC 6-3-2-2.8(2);
- 8       (2) a partnership;
- 9       (3) a limited liability company; or
- 10      (4) a limited liability partnership.

11      Sec. 4. As used in this chapter, "qualified employee" means an  
12      individual who:

- 13      (1) resides within an enterprise zone; and
- 14      (2) is employed in a city containing an enterprise zone.

15      Sec. 5. As used in this chapter, "qualified training expenses"  
16      means expenses incurred to train a qualified employee.

17      Sec. 6. As used in this chapter, "state tax liability" means a  
18      taxpayer's total tax liability that is incurred under:

- 19      (1) IC 6-3-1 through IC 6-3-7 (adjusted gross income tax);
- 20      (2) IC 6-5.5 (financial institutions tax); and
- 21      (3) IC 27-1-18-2 (insurance premiums tax);

22      as computed after the application of the credits that under  
23      IC 6-3.1-1-2 are to be applied before the credit provided by this  
24      chapter.

25      Sec. 7. As used in this chapter, "taxpayer" means a person,  
26      corporation, or pass through entity that is an employer located  
27      within the city limits of a city containing an enterprise zone.

28      Sec. 8. A taxpayer is entitled to a credit against the taxpayer's  
29      state tax liability for a taxable year equal to the amount of the  
30      taxpayer's qualified training expenses incurred during the taxable  
31      year.

32      Sec. 9. (a) If the amount determined under section 8 of this  
33      chapter for a taxpayer in a taxable year exceeds the taxpayer's  
34      state tax liability for that taxable year, the taxpayer may carry the  
35      excess over to the following taxable years. The amount of the credit  
36      carryover from a taxable year shall be reduced to the extent that  
37      the carryover is used by the taxpayer to obtain a credit under this  
38      chapter for any subsequent taxable year. A taxpayer is not entitled  
39      to a carryback.

40      (b) A taxpayer is entitled to a refund of any unused credit.

41      Sec. 10. If a pass through entity does not have state income tax  
42      liability against which the tax credit may be applied, a shareholder

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or partner of the pass through entity is entitled to a tax credit equal to:

- (1) the tax credit determined for the pass through entity for the taxable year; multiplied by
- (2) the percentage of the pass through entity's distributive income to which the shareholder or partner is entitled.

Sec. 11. To receive the credit provided by this chapter, a taxpayer must claim the credit on the taxpayer's state tax return in the manner prescribed by the department. The taxpayer must submit to the department proof of payment of the qualified training expenses and all information that the department determines is necessary for the calculation of the credit provided by this chapter.

SECTION 12. IC 6-3.1-26 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]:

**Chapter 26. Enterprise Zone Job Creation Credit**

Sec. 1. As used in this chapter, "base taxable year" means either:

- (1) in the case of a taxpayer that has not previously claimed a tax credit under this chapter, the taxpayer's taxable year that immediately precedes the taxable year for which the taxpayer is first claiming a credit under this chapter; or
- (2) in the case of a taxpayer that has previously claimed a tax credit under this chapter, the most recent taxable year for which the taxpayer claimed a credit under this chapter.

Sec. 2. As used in this chapter, "board" refers to the enterprise zone board created under IC 4-4-6.1-1.

Sec. 3. As used in this chapter, "employer" has the meaning set forth in IC 6-3-1-5.

Sec. 4. As used in this chapter, "enterprise zone" means an enterprise zone created under IC 4-4-6.1.

Sec. 5. As used in this chapter, "full-time employee" means an individual who is employed for consideration for at least thirty-five (35) hours each week or who renders any other standard of service generally accepted by custom or specified by contract as full-time employment.

Sec. 6. (a) As used in this chapter, "new employee" means a full-time employee first employed by a taxpayer at the employer's enterprise zone location and who is employed after December 31 of the employer's previous taxable year.

(b) The term "new employee" does not include:

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(1) an employee of the taxpayer who performs a job that was previously performed by another employee, if that job existed for at least six (6) months before hiring the new employee;  
 (2) an employee of the taxpayer who was previously employed in Indiana by a related member of the taxpayer and whose employment was shifted to the taxpayer after the taxpayer entered into the tax credit agreement; or  
 (3) a child, grandchild, parent, or spouse, other than a spouse who is legally separated from the individual, of any individual who is an employee of the taxpayer and who has a direct or an indirect ownership interest of at least five percent (5%) in the profits, capital, or value of the taxpayer. For purposes of this chapter, an ownership interest shall be determined in accordance with Section 1563 of the Internal Revenue Code and regulations prescribed under that Section.

(c) Notwithstanding subsection (b)(1), if a new employee performs a job that was previously performed by an employee who was:

- (1) treated under the agreement as a new employee; and
- (2) promoted by the taxpayer to another job;

the employee may be considered a new employee under the agreement.

Sec. 7. As used in this chapter, "pass through entity" means:

- (1) a corporation that is exempt from the adjusted gross income tax under IC 6-3-2-2.8(2);
- (2) a partnership;
- (3) a limited liability company; or
- (4) a limited liability partnership.

Sec. 8. As used in this chapter, "related member" means a person that, with respect to the taxpayer during all or any part of the taxable year, is any one (1) of the following:

- (1) An individual stockholder or a member of the stockholder's family enumerated in Section 318 of the Internal Revenue Code, if the stockholder and the member of the stockholder's family own directly, indirectly, beneficially, or constructively, in total, at least fifty percent (50%) of the value of the taxpayer's outstanding stock.
- (2) A stockholder or a stockholder's partnership, estate, trust, or corporation, if the stockholder and the stockholder's partnership, estate, trust, or corporation own directly, indirectly, beneficially, or constructively, in total, at least fifty percent (50%) of the value of the taxpayer's outstanding

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1 stock.

2 (3) A corporation or a party related to the corporation in a  
3 manner that would require an attribution of stock from the  
4 corporation to the party or from the party to the corporation  
5 under the attribution rules of Section 318 of the Internal  
6 Revenue Code, if the taxpayer owns directly, indirectly,  
7 beneficially, or constructively at least fifty percent (50%) of  
8 the value of the corporation's outstanding stock.

9 (4) A component member (as defined in Section 1563(b) of the  
10 Internal Revenue Code).

11 (5) A person to or from whom there is attribution of stock  
12 ownership in accordance with Section 1563(e) of the Internal  
13 Revenue Code. However, for purposes of determining  
14 whether a person is a related member under this subdivision,  
15 twenty percent (20%) shall be substituted for five percent  
16 (5%) wherever five percent (5%) appears in Section 1563(e)  
17 of the Internal Revenue Code.

18 Sec. 9. As used in this chapter, "state tax liability" means a  
19 taxpayer's total tax liability that is incurred under:

20 (1) IC 6-3-1 through IC 6-3-7 (adjusted gross income tax);

21 (2) IC 6-5.5 (financial institutions tax); and

22 (3) IC 27-1-18-2 (insurance premiums tax);

23 as computed after the application of the credits that under  
24 IC 6-3.1-1-2 are to be applied before the credit provided by this  
25 chapter.

26 Sec. 10. As used in this chapter, "taxpayer" means a person,  
27 corporation, or pass through entity whose primary operations are  
28 conducted in an enterprise zone.

29 Sec. 11. (a) A taxpayer is entitled to a credit against the  
30 taxpayer's state tax liability for a taxable year equal to the amount  
31 determined under the following STEPS:

32 STEP ONE: Determine the lesser of:

33 (A) the number of new employees employed at the  
34 taxpayer's enterprise zone location in the taxable year; or

35 (B) the result of:

36 (i) the total number of full-time employees employed by  
37 the taxpayer at the taxpayer's enterprise zone location in  
38 the taxable year; minus

39 (ii) the total number of full-time employees employed at  
40 the taxpayer's enterprise zone location in the taxpayer's  
41 base taxable year.

42 STEP TWO: Multiply the amount determined under STEP

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ONE by one thousand five hundred dollars (\$1,500).

(b) A taxpayer may petition the board to adjust the total number of full-time employees employed at the taxpayer's enterprise zone location in the taxpayer's base taxable year if the taxpayer shows that:

- (1) a new investment;
- (2) a new product line; or
- (3) other similar circumstances;

will result in the creation of new full-time jobs at the taxpayer's enterprise zone location but would not qualify the taxpayer for a credit under this chapter because employment at the enterprise zone location would remain below the level established in the taxpayer's base taxable year.

(c) The board shall consider a petition submitted under subsection (b). The board may approve a taxpayer's petition if the board determines that adjusting the total of number of full-time employees employed at the taxpayer's enterprise zone location in the taxpayer's base taxable year is in the best interests of the enterprise zone in which the taxpayer is located. If the board approves the petition, the board shall determine the new number of full-time employees employed at the taxpayer's enterprise zone location in the taxpayer's base taxable year that in the board's discretion fairly and reasonably represents the taxpayer's employment situation under the totality of the circumstances described in the taxpayer's petition. The board shall certify the new number to be used for purposes of this chapter to the taxpayer and the department.

Sec. 12. (a) If the amount determined under section 11 of this chapter for a taxpayer in a taxable year exceeds the taxpayer's state tax liability for that taxable year, the taxpayer may carry the excess over to the following taxable years. The amount of the credit carryover from a taxable year shall be reduced to the extent that the carryover is used by the taxpayer to obtain a credit under this chapter for any subsequent taxable year. A taxpayer is not entitled to a carryback.

(b) A taxpayer is entitled to a refund of any unused credit.

Sec. 13. If a pass through entity does not have state income tax liability against which the tax credit may be applied, a shareholder or partner of the pass through entity is entitled to a tax credit equal to:

- (1) the tax credit determined for the pass through entity for the taxable year; multiplied by

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(2) the percentage of the pass through entity's distributive income to which the shareholder or partner is entitled.

**Sec. 14. To receive the credit provided by this chapter, a taxpayer must claim the credit on the taxpayer's state tax return in the manner prescribed by the department. The taxpayer must submit to the department proof of payment of the payroll expenditures and all information that the department determines is necessary for the calculation of the credit provided by this chapter.**

SECTION 13. IC 22-4-18.1-5, AS AMENDED BY P.L.179-1999, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 5. (a) Not later than June 30, 2000, the membership of the state human resource investment council established under IC 22-4-18.1 must consist of the following:

- (1) The governor.
- (2) Two (2) members of the senate, appointed by the president pro tempore of the senate. The members appointed under this subdivision may not be members of the same political party.
- (3) Two (2) members of the house of representatives, appointed by the speaker of the house of representatives. The members appointed under this subdivision may not be members of the same political party.
- (4) The following members appointed by the governor:
  - (A) Representatives of business in Indiana who:
    - (i) are owners of businesses, chief executives, or operating officers of businesses, and other business executives or employers with optimum policy making or hiring authority, including members of regional boards under IC 22-4.5-3-3(b)(1)(A) (as described in Section 117(b)(2)(A)(i) of the Workforce Investment Act of 1998);
    - (ii) represent businesses with employment opportunities that reflect the employment opportunities of Indiana; and
    - (iii) are appointed from among individuals nominated by state business organizations and business trade associations.
  - (B) Chief elected officials representing municipalities and counties.
  - (C) Representatives of labor organizations who have been nominated by the Indiana State AFL-CIO.
  - (D) Representatives of individuals and organizations that have experience with respect to youth activities.
  - (E) Representatives of individuals and organizations that have experience and expertise in the delivery of workforce



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investment activities, including chief executive officers of any community colleges established in Indiana and community-based organizations in Indiana.

(F) Lead state officials with responsibility for the programs, services, and activities described in Section 121(b) of the Workforce Investment Act of 1998 and carried out by one stop partners or, if there is no lead state official with responsibility for such a program, service, or activity, a person with expertise relating to the program, service, or activity.

(G) Other representatives and state officials designated by the governor.

**(5) The president of the Association of Indiana Enterprise Zones or the president's designee. A member designated by the president of the Association of Indiana Enterprise Zones under this subdivision:**

**(A) must be the executive director of an enterprise zone designated under IC 4-4-6.1; and**

**(B) shall serve on the council until the member:**

**(i) is dismissed by the president of the Association of Indiana Enterprise Zones; or**

**(ii) no longer serves as the executive director of an enterprise zone designated under IC 4-4-6.1.**

(b) The governor shall appoint as chairman of the council a member described in subsection (a)(4)(A).

(c) A majority of the members of the council must be members described in subsection (a)(4)(A).

(d) At least fifteen percent (15%) of the members of the council must be representatives of labor.

(e) Members of the council that represent organizations, agencies, or other entities shall be individuals with optimum policy making authority within the organizations, agencies, or entities. The members of the council must represent diverse regions of Indiana, including urban, rural, and suburban areas.

**SECTION 14. [EFFECTIVE JANUARY 1, 2004] IC 6-1.1-8-44, as amended by this act, applies to property taxes first due and payable after December 31, 2006.**

**SECTION 15. [EFFECTIVE JANUARY 1, 2004] (a) IC 6-2.5-5.5, as added by this act, applies to purchases made after December 31, 2003.**

**(b) IC 6-2.5-6-10, as amended by this act, applies to retail transactions occurring after December 31, 2003.**

**SECTION 16. [EFFECTIVE JANUARY 1, 2004] IC 6-3-2-8, as**



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1 amended by this act, applies to taxable years beginning after  
2 December 31, 2003.

3 SECTION 17. [EFFECTIVE JANUARY 1, 2004] IC 6-3-2-8.5, as  
4 added by this act, applies only to taxable years beginning after  
5 December 31, 2003.

6 SECTION 18. [EFFECTIVE JANUARY 1, 2002  
7 (RETROACTIVE)] IC 6-3.1-10-10, as amended by this act, applies  
8 to taxable years beginning after December 31, 2001.

9 SECTION 19. [EFFECTIVE JANUARY 1, 2004] IC 6-3.1-25 and  
10 IC 6-3.1-26, both as added by this act, apply only to taxable years  
11 beginning after December 31, 2003.

12 SECTION 20. [EFFECTIVE JANUARY 1, 2004] 58 IAC 2-1-2  
13 applies to a tax incentive provided to an enterprise zone business  
14 under the following:

15 (1) IC 6-1.1-8-44.

16 (2) IC 6-2.5-5.5.

17 (3) IC 6-2.5-6-10.

18 (4) IC 6-3-2-8.5

19 (5) IC 6-3.1-25.

20 (6) IC 6-3.1-26.

21 SECTION 21. An emergency is declared for this act.

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